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FRACTIONAL CURRENCY COLLECTORS BOARD

MAY 2000 NEWSLETTER

FCCB ANNUAL MEETING

The Fractional Currency Collectors Board (FCCB) will hold its annual meeting at the Memphis Coin Club's International Paper Money Show. The meeting will be held on Saturday, June 17th, 2000 at 1:00 p.m. in the New Orleans Room. The FCCB will review the past year's business, next year's business, a review of our excellent financial condition, some special business and an educational presentation. Some of the topics we will be discussing this year in our business meeting are an FCCB website, advertising in the newsletter (both dealer and member ads), international memberships and other important items. This year's discussion and slide presentation will be delivered by Doug Hales and Tom O'Mara and will cover their recent findings in the National Numismatic Collection's fractional currency holdings at the Smithsonian Institution. All are welcome, so come out and join in the fun with the FCCB.

MEMPHIS EXHIBITS

As always, we need more exhibits, especially those relating to fractional for Memphis. The fractional exhibits are always the class of the exhibits as evidenced by the number of major awards they have received at state, regional and national shows and at Memphis. One of our founders, Martin Delger is again exhibit chairman, so contact him if you want to exhibit. By the way—as way of my yearly challenge—my exhibit on Fractional Currency errors recently won 1st place at the Texas Numismatic Association Convention, so 2nd and 3rd are again wide open!

ANOTHER ONE BITES THE DUST

No, Milt is still with us (I can't believe I said that!!!), but one of the very last of the old time ??mature?? collections is now history. It was felt by most if not all that after Milt and Martin sold their collections, the fabulous Hales collection was the best out there. Well, I am pleased to officially announce (with their permission) that Doug has sold his collection intact to our esteemed President, Tom O'Mara. Doug has told me for years he would sell when he could sell it as a collection, rather than piece by piece. He always had a standing offer from me for 15% above face, but for some reason declined to take me up on it! Can't for the life of me figure out why! I had the incredibly unique and very special privilege to view Doug's collection at the time of Milt's sale and all I can say is that it was **FANTASTIC!!!** It is always kind of sad when one

of these ever so important collections is sold, such as the Friedberg, Gengerke, Marchioni and others. I still remember when I got into this hobby and club fifteen plus years ago and was the youngest collector in the club, all the great people and collections that were out there. Now, I have one of the older collections! Not that great, but like me, old! While it is sad to see these collections find new homes, it is great to see the notes find homes with such a great group as we have now. It is also great that most of the people who have sold their collections are still active in our hobby and group, as Doug has promised he will be. Tom has told me he is now undertaking the mammoth task of going through the now fabulous O'Mara/Hales collection and seeing just what is there. I can't think of a thing that would be more exciting! I am sure that over time, he will have duplicates to dispose of, but please give him time to get his bearings! For now, join me in wishing Tom good luck and encouraging him to keep up his current feverish pace of leading us, exhibiting and writing. He has really become quite the researcher and author! By the way—speaking of collection disposal, did you happen to see Howard Cohen's collection of Large Size notes that he sold to Mr. Kagin? If those notes are in any way indicative of his fractional collection—it is also a fabulous one!

DUES ARE DUE!

Yes, dues were due in January if you joined the club before August 1999. Everyone got a dues envelope with the last newsletter, so if you have not used it, do so now! Dues this year are \$15. Our group is small, so we have very little financial cushion to fall back on. We are very dependent on our member dues to be able to put out this newsletter and updates to the Encyclopedia and other information. Please don't wait, send your dues **NOW!!!** This will be your last newsletter if you do not pay your dues by the end of Memphis.

FCCB WEBSITE

President O'Mara and some of our other more Internet knowledgeable new members have begun developing an FCCB website. Go visit it and be ready to discuss it at our meeting. It is located at www.fractionalcurrency.org.

NEW POSTAGE CURRENCY COIN BOOK

Another of our new members, David Cassel is in the process of completing a new book on postage currency coins. He catalogued (and wrote a nice little intro to) the recent Heritage FUN 2000 auction of the Gene Wolfe Collection of U.S. Postage Currency Patterns. I have included a better copy of it than I was able to put in the last newsletter, courtesy of Heritage and David, as well as more information for you to read. David was kind enough to provide pictures, but with my copying mechanism, these may not have come out. If they are not in the newsletter, I will have great copies at Memphis for you to look at. Also, David is very interested in getting an idea of how many people would like to buy the book when it is published. Let him know so he can plan ahead.

ADDRESS CHANGE

As some of you have found out the hard way, if you do not use my address listed on the top of the page, your mail will come back to you after a much circuitous trek through the bowels of the USPS!

A Message From the President – Spring 2000

Welcome fellow FCCBers to another newsletter. It is really amazing how time flies for it seems like only yesterday I was jotting down my recollections of the FUN 2000 show, and now I am busy preparing for Memphis 2000. Can you believe it is almost here!!!! I can only reemphasize the importance of this event so often... but here goes again. There are a lot of new FCCB members over the last several years and many of you have yet to experience this show. This show is the best paper money show in the country, and if you are interested in fractional, you really should try to attend. As many of you have found, it is difficult to find large quantities of quality fractionals at many shows, difficult to find many dealers and/or collectors who share your passion for fractionals, difficult to find ANY exhibits of fractional currency, and difficult to share the fractional experience. In fact, for many, this newsletter is your only avenue to other collectors. Well, I have the answer to your search.....MEMPHIS!! It is really true and I say it every year, the exhibits phenomenal. If you can swing the trip, your educational experience in the exhibition area will be worth the trip alone. Some of these exhibits show notes you may never see in person unless you happen to be at Memphis, and many of the exhibitors are found nearby and are willing to help answer your questions or create new ones. Early word from the Memphis Exhibit Chairman (and fellow FCCBer) Martin Delger is that there are again five fractional currency exhibits scheduled for Memphis. In fact, this is five of a total of thirty exhibits - which is a pretty good representation of fractional against the larger paper money field. In fact these fractional exhibitors have recently taken a number of national awards, FUN 2000 Best of Show, Texas Numismatic Association 2000 1st Place Paper Money and last years Best of Show at Memphis. So remember, they really can be worth the trip alone. In addition, the dealer bourse is exceptional for paper money and in particular, fractional currency. Although there is no slated collection scheduled for either of the two auctions to be held during Memphis, the bourse is sure to hold some booty!

The FCCB will hold it's annual meeting on Saturday, June 17th, 2000 in the New Orleans Room from 1:00 p.m. till 2:30 p.m. At this meeting we will review FCCB business from the past year, for the upcoming year, and hold an educational talk. Since no one has stepped forward with a presentation this year, yours truly and Doug Hales will give a slide presentation on our finds from our excursion into the depths of the National Numismatic Collection's holdings of U.S. Postage and Fractional Currency. There are many unique notes there as well as some fantastic proof plate sheets that explain a number of new facets of our hobby. Additionally, Memphis offers camaraderie... and this is my favorite part... There are many thoughts shared in the bourse aisles, over a coffee, over a lunch/dinner/dessert (been to the ice cream bar in the Peabody lately?), and just about everywhere that all make this experience a great one. If you don't buy into this, call any fellow FCCBer who makes the annual trek and I believe you will get even more of an earful. It truly is worth it, so remember, if you can in any way swing the trip, do so....for where else could you get together with collectors/exhibitors/dealers from around the country, for three plus days and talk fractional??? It is one long weekend a year and well worth it.

Well what else is new in fractional? I would say level of interest by new collectors! I hear of many new people who are drawn to this great collecting field, and

given this increased broadening of the collector base, see a lot of good things happening in the future. Many of these newcomers are now members of the FCCB, and to all of you welcome. Remember, you don't have to be an "expert" to ask a question or give an opinion (heck, I've been doing it for years)... so feel free to chime right in anytime... just send your inquiry or opinion to Benny and we will disseminate it. I just received my May 2000 copy of the "green sheet" or *the Currency Dealer Newsletter* and look at all those pluses (+) in the fractional section. There is a plus (which stands for a upward movement in price in this source – the green sheet – which is a guideline used by dealers... and the prices are submitted by dealers) next to EVERY regular issue fractional note in all grades with two exceptions – and that's two out of hundreds!!! Additionally, there are a great number in the specimen and proof note section also. Compared with all the other fields reported (Demand Notes, U.S. Legal Tender, Silver Certificates, etc), the fractional market movements are amazing. The other fields have plus ticks here and there but usually only in the highest grades while we are seeing them across the board. I believe this phenomenon is due to the broadening of the collector base, especially at the entry level. Well again, welcome aboard, this is really a fun collecting field and I think as all FCCBers know, it can be quite a challenge, yet accomplished on a reasonable budget.

Also of note in the "green sheet" is a great article by dealer Larry Hanks about courtesy autographed notes. The large size collectors are vying for these with abandon and have recognized their rarity, while we in the fractional field know of what appeared to be an unlimited supply when the famous Milton R. Friedberg Collection was sold. There were dozens in that great collection and many were priced as if there were no autograph on them. I know I put a lot of information in a past newsletter about the Treasurers and Registers of the Treasury (and gave a talk on them at last years Memphis), but take another look because although many of these are available for sale, they are probably more significant than many fractional collectors ascribe. If you don't buy that, how about this, "a single price record for a Courtesy Autographed Banknote was set last year for a Carmi Thompson 1906 \$20 Gold Certificate, serial #3. In heated bidding at public auction, this Gem Uncirculated Courtesy note brought in excess of \$18,000. This is roughly three or four times what a non-autographed, low serial numbered note would have fetched." If it were a fractional note, until only recently, it would probably bring what a non-autographed note would bring. FYI

There are a lot of things going on in all our collections, and more and more collectors are joining our ranks each week, so please – share your thoughts with us or introduce a friend to the FCCB...we will all benefit. I really look forward to seeing as many FCCBers as possible at Memphis and thank in advance those who attend for making my experience that much better. Until then.....

Fractionally Yours

Tom O'Mara

President, Fractional Currency Collectors Board

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OUR NEW PAPER CURRENCY

From Scientific American, March 26, 1870

Excerpted from Rare Coin Review, July/August 1999, No. 130, Bowers & Merena

In July 1866, letter patents were issued, through the Scientific American Patent Agency, to Jas. M. Willcox, bank note-paper manufacturer near Philadelphia, for an improvement in paper, to prevent counterfeiting. As this peculiar paper has been adopted by the Treasury Department for United States securities, and reaches the hand of everybody in the shape of greenbacks, a few words in explanation will be useful to all handlers of money.

Protection in paper, as in engraving, consists in *peculiarity* and in difficulty in imitation; nothing else. Many years ago bank-note paper was made peculiar by the mixing of red, blue, and other colored silk shreds in the pulp before converting it into sheets of paper. This peculiarity was considered a test of genuineness, and was so to a certain extent. Paper made in that way, however, came into the open market, and could be bought by counterfeiters as well as by bank officers and engravers.

Mr. Willcox has added a new feature in the introduction of colored shreds, which makes a paper so peculiar that it cannot be made by hand process, or by cylinder machine, but only the better-class Fourdrinier machine. Even here special machinery is required to *locate* the colored shreds in certain parts of the notes and not in the others. As this machinery exists only in his own mill, and the process is protected by patent, the paper is kept out of the market and the government and the public have the advantage of its exclusiveness. The mill is guarded night and day by an armed force in the pay of the government to prevent robbery, and there is every reason to believe that this paper will be kept out of unlawful hands.

It will be observed that a line of blue shreds cross the *left hand* end of all Legal Tender notes (new issue) of the denominations on one, two, five, and ten dollars; and a similar line crosses the *right-hand* end of all notes above ten dollars. As these lines are in-grain, and cannot be altered, the alteration of a low note to a high one would be at once detected by the position of the localized shreds.

As these shreds are interwoven with the fibers of the paper, care should be used to make sure that they are neither entirely *under the surface* nor entirely *on the surfaces*, but *both*. In the U.S. currency a double process is carried out. In the first place a red fiber is mixed indiscriminately through the pulp, and consequently through the sheet. This is done in the grinding engine. A second process (with special machinery) is carried out in the Fourdrinier paper machine by the localizing of a *blue* fiber as the pulp is changed into paper. All is interwoven together, and when the sheets are cut into notes the blue fibers find their position as described.

The new fifty cent Fractional Currency note which the Department is preparing to issue, will be upon paper of this description; the localized blue fibers occupying one end only of the notes, while all the remainder will have the indiscriminate red. The double process of manufacture will be shown and the exclusive feature will be prominent.

The thanks of the community are due to the Secretary of the Treasury for his earnest and well-directed efforts to protect them from counterfeits; and their attention is called to a proper understanding of this new feature in protection. As it has been placed under the guardianship of the Department, it is believed to be effectual, and we are glad to have had an agency in bringing it into use.

FRACTIONAL SPOTTING - FOUR EXPERIMENTALS WITH 114-YEAR PEDIGREE!

By Tom O'Mara

Did anyone see the recent sale at auction by Bowers and Merena of The Lindesmith Collection? It was held in conjunction with the Suburban Washington/Baltimore Convention this past March 23-24, 2000. I note it because it brought about my favorite fractional currency pastime outside of the actual collecting of fractional currency - that is *fractional spotting*. The catalog arrived weeks before the sale and I anxiously scanned its contents for any sign of my currency-collecting specialty. Sure enough, there were thirty lots of fractional and most exciting were the final six fractional lots (1032 - 1037) which were experimental notes. These notes are very rare and were all previously part of various trial runs of note production, which were performed by the National Currency Bureau (then part of Treasury and also the predecessor to today's Bureau of Engraving and Printing). Many of these notes are not often found, and whenever I spot them, I am immediately intrigued.

Upon closer inspection of the lot descriptions, I realized that two of the notes were the rare "negative essay" varieties (lot 1034 & 1035) and the other four lots (1033, 1034, 1036, & 1037) were slightly more common but were all pedigreed to a sale from 114 years earlier. The four 2nd issue experimental notes were two 10 cent reverses with the bronze "10" & "T-1-18-63" and only the bronze oval on the obverse (Milt #2E10R.4c); a 50 cent reverse with the bronze "50" & "R-2-18-63" surcharge inverted and only the bronze oval on the obverse (Milt #2E50R.4b); and a 50 cent reverse with a bronze oval on it and the normal reverse bronze "50" & "R-2-18-63" surcharge on the obverse (Milt #2E50R.4e). The notes all graded highly and were in an excellent state of preservation given their rarity and age, but what was really interesting was the notation that all four notes were previously part of the Dr. George W. Massamore Sale of the Smith, Fladung Collection held Friday, December 17th, 1886. The following chart shows the lot numbers and prices realized associated with these four experimental notes from each auction:

MILT #	2E10R.4c	2E10R.4c	2E50R.4b	2E50R.4e
Smith, Fladung Collection - 1886	Lot 366 \$0.65	Lot 367 \$0.40	Lot 365 \$1.50	Lot 364 \$1.60
The Lindesmith Collection - 2000	Lot 1032 \$920.00	Lot 1033 \$276.00	Lot 1036 \$920.00	Lot 1037 \$1380.00

Through the good graces of noted numismatic literature dealer Remy Bourne, I managed to acquire a hand priced copy of Dr. George W. Massamore's 32nd Sale. Immediately I was struck by the date of this sale, December 17th, 1886, as one of the earliest auctions of fractional currency I can remember. It was less than a decade earlier that the government had stopped issuing fractional currency and much was still in circulation. So although not definitive, this is possibly one of the earliest auction catalogs highlighting fractional currency although my search will continue. If anyone has any information regarding early paper money auctions and the inclusion of fractional currency, it would be greatly appreciated if you could share that information with me at TFXILOM@aol.com.

Why was a doctor conducting numismatic auctions? Dr. George W. Massamore was a dentist from Baltimore and he conducted coin auctions in his spare time. According to the Bowers & Merena cataloger, he also often served as an agent for the noted numismatist from Baltimore, T. Harrison Garrett. The title page of the catalog actually highlights the four "rare" fractional experimental notes as follows:

**Catalogue of The Smith, Fladung Collection of Coins, Medals, Stamps, Autographs,
Fractional Currency, &c. to be sold at auction by Messrs. Bangs & Co., 739 and 741
Broadway, N.Y Friday, December 17th, 1886, at 2 P.M. Collections will be on exhibition
from 9:30 to 1 o'clock. Rarities: 1794 Dollar. 1796 Quarter. 1802 Half Dime. 1804 Cent.
1724 Wood Half Penny. Geoge (sic) III Silver Medal. Rare Fractional Currency, & C.
Catalogued by Dr. Geo. W. Massamore.**

Dr. George W. Massamore must have had some knowledge of fractional to highlight the rarity of these notes in the auction frontispiece. They were considered marquee items. Note the rare coins that also were highlighted, many of which are still considered ultra rarities 114 years later. The good news for fractional collectors is that although we can't buy the "rare" fractional notes at the 1886 prices, we don't have to pay the Y2K prices that those coin rarities are now bringing!!!

Why am I so excited about this *fractional spotting* any more so than the dozens of others that I encounter regularly? Because not only did Dr. Massamore note their rarity and highlight these notes in his auction, but also he provided some additional information in his catalog about fractional currency. Remember that this was only a few

years after the actual issuance of these notes, and although there probably was a collector base, probably not too many that were even aware of such *experimental* pieces - no less collect them. Additionally, there were a total of 461 lots in the sale that realized a total of \$505.76, yet there was very minimal additional commentary by the cataloger on most of these lots. Therefore, I believe that either Dr. Massamore or his consignor, Mr./Mrs. (?) Smith and/or Fladung, had personal knowledge from some original Treasury source as to the exact reason for these notes existence. The following "Note" is in the catalog immediately following the fractional listings:

NOTE. - This currency was the result of long and tedious experiments by Dr. Gwynn. In Mr S.M. Clark's report to the Secretary of the Treasury in 1865, a full account will be found. Mr. C. was at that time chief of the Fractional Currency Bureau. The substance of the report is as follows: | r. Gwynn earnestly devoted himself to the experiments of dry printing, to give me his aid in the work. The first membrane paper provided was unsatisfactory. The peculiar process of making rendered it more liable to split than ordinary bank-note paper, and was abandoned; but experiments were immediately made to overcome this difficulty, and ultimately with entire success. He now produces a paper which cannot be dissolved in hot or cold water, which cannot be split, which has an irremovable, non-photographic tint in its spider-leg fibre, and which takes ink more readily, retains it longer, wears better, and is in every respect the best paper ever manufactured for the purpose. Dr. Gwynn about this time was arrested and imprisoned through some difficulty in regard to dry process of printing, and the whole scheme fell through. Only one sheet of each was made as a sample. They are unquestionably the rarest, by far, of all currency known or ever offered for sale. I received a few of these notes from a Treasury official in exchange some years ago. These now offered (none ever sold except by me) are the last, and if collectors knew that they are ten times as rare as any ever sold, they would command a price commensurate with their great rarity.

I find this write up to be extremely insightful and useful to the fractional specialist and due to the first person usage in a number of key spots, believe it to be Dr. Massamore's personal findings. I believe the fractional section of this sale may have been notes from his personal collection and/or inventory. It is stated that the cataloger, Dr. Massamore, received the notes from a "Treasury official" and that "these now offered (none ever sold except by me) are the last". These two statements lead me to believe that Dr. Massamore probably knew the Treasury official on a personal basis. There were many numismatic dealers and collectors at that time, yet he seems quite certain of the number of notes made as determined by the phrases "these notes are the last" and "none ever sold except by me". Of course, he could have been hyping his lots, but he did not do so with any of the other lots in the sale. I believe that he took the time to write this "Note" because he was quite certain of the facts and in fact knew the Treasury official and therefore had first hand information. There are probably many Treasury officials who could have had access to and thereby retained some of these experimental notes, but there is one well known official who is documented as having retained many of them - Spencer M. Clark. Dr. Massamore refers to the "chief of the Fractional Currency Bureau" S. M. Clark and his explanation for the existence of these experimental notes, so I believe Clark was his friend in Treasury. Seven years later, in October 1893, Mr. Ed Frossard published his famous Fixed Price List #8 which was highlighted by rare experimental fractional currency notes from the collection of Spencer M. Clark. In fact while perusing my own experimental note holdings I came across the following "*#23 on Frossard List #8 of Spencer Clark Collection 10/1/1893*" which happened to be next to my own negative essay 2nd issue 50 cent reverse Milt #2E50R.2a which was previously part of the Milton R. Friedberg Collection.

I believe that many of these rare experimental fractional notes remained at the Treasury and the extent of those known today to the collecting community were mainly sourced from none other than Spencer M. Clark himself. Although many were disbursed in 1893 via Ed Frossard's fixed price list, it is my conclusion that a few came out seven years prior to that via Dr. George W. Massamore. It is interesting to note that these four experimentals were originally auctioned in 1886 by a Baltimore numismatist, and 114 years later, they again showed up in Baltimore in the Bowers and Merena sale. What comes around, goes around. So remember, the next time you are *fractional spotting* and come across something that piques your interest, follow it up - your gut instinct is probably correct and something more may be found under your find. Happy hunting.

OF

THE SMITH, FLADUNG COLLECTION

OF

Coins, Medals, Stamps, Autographs, FRACTIONAL CURRENCY, &c.

TO BE SOLD AT AUCTION BY

Messrs. Bangs & Co., 739 and 741 Broadway, N. Y.

Friday, December 17th, 1886, at 2 P. M.

COLLECTIONS WILL BE ON EXHIBITION FROM 9.30 TO 1 O'CLOCK.

RARITIES:

1794 DOLLAR. 1796 QUARTER.

1802 HALF DIME. 1804 CENT.

1724 WOOD HALF PENNY.

GEOGE III SILVER MEDAL.

RARE FRACTIONAL CURRENCY, &c.

Catalogued by Dr. Geo. W. Massamore.

425 Madison Avenue, Baltimore. Md.

P. S.—Send bids early, and bear in mind that bids are so much for each piece unless otherwise stated.

BALTIMORE:

Excelsior Printing Co., Second and Frederick Sts.
1886.

40 349 1810. Very good.
65 350 1811. Fair. Rare.

FRACTIONAL CURRENCY.

[CLEAN UNLESS OTHERWISE STATED.]

75 351 5c, perforated, without letters on reverse. Rare.
30 352 25, perforated. Soiled, but plain.
25 353 25, 10, 5. Same issue, unperforated. 3.
16 354 25, 5. Same issue, a little soiled. 2.
15 355 10, 5. Second issue, Washington in gold band. 2.
75 356 25. Bust of Fessenden. Red back. Rare.
36 357 25. Same, with green back.
30 358 25. Bust of Washington.
15 359 10. Bust of Washington.
" 360 10. Bust of Liberty, blue fibres at end.
18 361 25. Walker, 10; Meredith, 2.
62 362 50. Bust of Stanton, a little soiled.
53 363 50. Bust of Dexter, a trifle soiled. Scarce.
160 364 50. Coarse fibre paper. Obv., red. 50 in centre, under a heavy gold ring. Rev. white, with large skeleton; 50 in gold. R, 2, 18-63 in gold in corners.
150 365 50. Obv. red; 50 in centre, under large skeleton 50 in gold. R, 2-18-63 in centre. Rev. white, with heavy gold ring in centre.
65 366 10. Obv. green, with large skeleton 10 in gold, over small 10. T, 1, 18, 63, gold, in corners. Rev. white; heavy gold ring in centre.
40 367 10. A duplicate. Torn, but neatly mended. Detracts very little from its value.

NOTE.—This currency was the result of long and tedious experiments by Dr. Gwynn. In Mr S. M. Clark's report to the Secretary of the Treasury in 1865, a full account will be found. Mr. C. was at that time chief of the Fractional Currency Bureau. The substance of the report is as follows: Dr. Gwynn earnestly devoted himself to the experiments of dry printing, to give me his aid in the work. The first membrane paper provided was unsatisfactory. The peculiar process of making rendered it more liable to split than ordinary bank-note paper; and was abandoned; but experiments were immediately made to overcome this difficulty, and ultimately with entire success. He now produces a paper which cannot be dissolved in hot or cold water, which cannot be split, which has an irremovable, non-photographic tint in its spider-leg fibre, and which takes ink more readily, retains it longer, wears better, and is in every respect the best paper ever manufactured

for the purpose. Dr. Gwynn about this time was arrested and imprisoned through some difficulty in regard to dry process of printing, and the whole scheme fell through. Only one sheet of each was made as a sample. They are unquestionably the rarest, by far, of all currency known or ever offered for sale. I received a few of these notes from a Treasury official in exchange some years ago. These now offered (none ever sold except by me) are the last, and if collectors knew that they are ten times as rare as any ever sold, they would command a price commensurate with their great rarity.

**UNITED STATES PATTERN
POSTAGE CURRENCY COINS**

BY

DAVID CASSEL
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Foreword by Andrew W. Pollock III
Author of *United States Patterns and Related Issues*

**A SURVEY OF U. S. PATTERN
POSTAGE CURRENCY
10 CENT COINS OF 1863
AND
THE RELATED ISSUES DATED 1868 AND 1869**

NUMISMATIC RESEARCHER AND COLLECTOR
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For those of you who do not know me, I am a U.S. pattern coin collector, researcher, cataloger, and author with other collecting areas of interest. U.S. pattern coins have been a passion of mine since 1978 when I acquired my first pattern coin. For more than six years I have devoted the majority of my U.S. pattern activity in one series of coins, U.S. Postage Currency coins of 1863 and those related and dated coins of 1868 and 1869. The manuscript that I have recently completed, chronicles my last six years in the area of these coins. My expectation is to publish a limited edition of my book in May / June 2000. My manuscript numbers 235 pages which includes a 40 page bibliography of more than 576 individually numbered auction listings of Postage Currency coins from the first auction in 1864, where a group of four coins sold for the unheard of price of \$150, less than a year after they were struck, through the present. Many of these coins are provenanced. My numbering system makes easy work of tracing a particular coin in either direction. There will be roughly 100 mostly color photographs of Postage Currency coins and related items that have been enlarged.

It's a long story, but briefly, I discovered that two of three Postage Currency coins I bought in 1994 were misattributed. I decided I would track down as many coins in this series as possible, to see what's what. Over the course of the last six years I have scientifically analyzed fifty-six different coins of this type. Easily one-third are misattributed. Some coins were never reported before and some coins were reported that never existed before. I have discredited six of twenty-six Postage Currency related Judd numbers (Judd-325a, 326, 331, 332, 640, and 643) as representing coins that do not exist

in the Postage Currency coin series. I have discovered many new varieties that you can read about in my new book.

In essence, I made some fantastic discoveries. Just to mention a few, I invite you to read some of the news releases associated with my discoveries.

"The Numismatist" the magazine of the American Numismatic Association, March 1999, Volume 112, number 3, page 256 and also May 1999, Volume 112, number 5, page 475 discuss a coin I thought to be misattributed by N. G. C.. This is understandable if you saw the coin. The coin has a silvery appearance. N. G. C. certified the coin a silver-nickel J-331. The Judd book, *"United States Pattern, Experimental and Trial Pieces"* listed a coin (J-331 silver-nickel.) I had reason to believe through the efforts of my research that this coin was not as Judd had attributed it. I thought the possibility existed that the coin was a cupro-nickel coin. Testing later determined this to be the case. N.G.C. reholdered the coin as a J-331c. which was a new designation and by their definition, the correct attribution for this coin which incidentally, contained two other bizarre minor metals, one never previously encountered in a coin, cobalt, the other iron. Each of these added ingredients is discussed in my book in some detail. There are a few other eye opening metal additives also that each served a purpose. I call these "secret ingredients" because the coiners never discussed them. Their presence or absence in a base metal coin makes a visible difference where condition is concerned. I can predict so far with almost 100%, accuracy which coins have these "secret ingredients." You can read about them in my book.

Several weeks prior to the auction by Bowers and Merena of the Harry W. Bass Jr. Collection which was held in May 1999, the good people at Bowers and Merena gave me an advance list of the coins that were to be auctioned. This was after their catalog printing but pre-sale. I took note of Lot 1084 catalogued as a J-643 (silver) coin. Through my research, I knew this coin was not possibly correctly attributed. I related these facts to the Bowers and Merena staff, who I feel have come to somewhat rely upon my knowledge of Postage Currency coins and I hope integrity. Shortly before the sale, Bowers and Merena sent this coin to P.C.G.S. for a scanning electron microscopic energy dispersive x-ray test. This is a non-destructive scientific metal analysis that is extremely accurate. The test results alerted P.C.G.S. and Bowers and Merena that the coin was in fact a cupro-nickel coin (J-644) as I had insisted. The catalog had already been printed but announcements were made to the live bidders as to the new attribution for this coin. Luckily, the successful bidder was not rewarded with a mistakenly attributed coin. The "possibly unique" coin became one more in a extant population of five coins in total.

The news editor of *"Numismatic News"* and *"Coin World"* are aware of some of my discoveries and have in the case of *"Numismatic News"*, published a news release, March 30, 1999. I decided to contact *"Coin World's"* news editor, Mr. William Gibbs for help in locating a coin in this series which I believe is misattributed, a J-325a. (reeded edge silver coin.) I came across this coin in the A.N.A. New York City Convention in August of 1997. The coin was offered to me for sale. I passed on the offer. I examined

the coin that has been encapsulated since 1990. I performed some determinative tests on the encapsulated coin and realized the coin had a reeded edge, but, more importantly, I believed to be cupro-nickel. I wanted very badly to be able to confirm what metals were in this coin before going to print. Obviously, I wouldn't deny the existence of this coin in silver with a reeded edge unless I had concrete proof. Having as many auction records of coins, I suspected that this coin became silver by acclaim when B. Max Mehl in 1944, The Fred Olsen Sale, declared it to be silver. The current owner of this coin, Mr. Robert Klein, stepped forward after reading the "*Coin World*" quarter page story in the June 14, 1999 edition. He was aware that his "unique" coin may join four other J-330a. cupro-nickel coins to become the fifth extant. Bravo, Mr. Klein for not fearing to seek the truth. The coin was sent to N.G.C. for analysis. As I had predicted, the coin tested cupro-nickel with a reeded edge, not silver with a reeded edge. N. G. C. has reholdered the coin. The Klein coin which can be traced to it being the first and only reference as a "silver reeded edge" 1863 Postage Currency (type of J-325) coin was discredited. Its discreditation compromises the J-325"a" number.

This small sample is almost enough said, except my study will have a great impact on many more coins than just the Postage Currency coins. I want to set the record straight. Formerly it was impossible to know (second hand) metal ingredients. Presently, it is just costly. There are many discoveries to be made.

Included in my book is a cataloging system designed by me to easily incorporate test results along with the Judd or Pollock any other numbering system. I refer to it as the "Cassel Decimal Numbering System."

I am republishing with the permission of the author, Mr. Douglas Winter, an excellent study of these coins from the Civil War era which are so integrally related to the Fractional Currency notes. This out of print article in three installments from "*Coin World*" in 1985 is the best presentation of the most interesting facts. (See the Pollock Introduction below.)

It would be my pleasure to consult with anyone interested in Postage Currency coins. My e-mail address is: DavCassel@aol.com I can also be reached by phone: 305-662-8960 and fax: 305-662-9400. If you have some of these coins, let's hear from you. If you may be interested in buying a copy of my book when it is released, please contact me. Please e-mail your name and e-mail address or otherwise contact me. I shall make note of your desire, and offer you my book as a pre-publication price which has presently not been established.

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The Gene H. Wolfe

C O L L E C T I O N

of

U. S. POSTAGE CURRENCY PATTERNS

The Postage Currency coins of 1863 and those related coins dated 1868 and 1869



Gene H. Wolfe

Cataloged by David Cassel, author of the soon to be released
United States Pattern Postage Currency Coins

The Civil War certainly had its effect upon our nation's monetary system. By 1862, the nation was in a monetary crisis. Minor silver coins had become scarce for many reasons including hoarding, arbitrage, and even the removal of coins from circulation by foreign governments. What silver the Mint at Philadelphia had was overwhelmingly allocated to the production of quarters, halves, and dollars. The slowdown in the production at the Mint in Philadelphia of the subsidiary coinage was unbearable. The shortage in the East of silver used in the production of three cent silver pieces, half dimes, and dimes necessitated a "fix" to the system. No such shortages were to be found in the Western states.

Tokens, not authorized as legal tender in the United States, had been used somewhat effectively in commerce since the first quarter of the 18th century, through the Civil War years, and beyond. But with the curtailment of the production of subsidiary coinage, private tokens alone would not be sufficient to satisfy the needs of commerce.

Encased postage helped alleviate the problem somewhat by affixing a stamp inside a disk-like device with a mica window. Advertisements, which defrayed the actual production costs of the encased postage were placed on the side opposite the postage stamp. These coin-like devices helped the overall problem of too little subsidiary coinage. However, encased postage would also not be sufficient to meet the needs of small change in commerce. An array of other devices were put to the test. Stamps, which were used like small change, proved to be an unsanitary, sticky mess and were not a solution. Little chits didn't meet with much success either, these being used like promissory notes or I.O.U.s.

"On July 14, 1862 Secretary of the United States Treasury, Salmon P. Chase wrote to Congress requesting action to meet the coinage emergency. Chase asked Congress to consider two plans. One of the plans called for the reduction in size of the silver coins. This proposal was sound enough but not practical. Reducing the size would call for new designs, new dies, and new machinery, and the loss of time involved made the proposal impractical. The other plan called for the legalization of the use of ordinary postage stamps as money. Congress accepted the postage stamp measure, with a number of members voting against it, and adopted the bill presented by Chase. The Senate approved the plan unanimously, and President Lincoln signed the Law July 17, 1862. The immediate effect of the law was a run on the post offices of the country.

"A House committee presented originally a section which provided for "fractional notes" to be issued in exchange for postage and revenue stamps. The Senate rejected this proposal. As finally passed, March 3, 1863, the law provided that 'in lieu of postage and revenue stamps for fractional currency and of fractional notes, commonly called postage currency' the Secretary of the Treasury might issue 'fractional notes of like amounts.' "2

Just two and a half months later in May 1863, Postage Currency coins were produced. Postage Currency coins were never authorized by these laws of July 17, 1862 or March 3, 1863. In the former, postage was authorized as a substitute for money, in transactions up to \$5 and the latter, fractional notes (paper) were authorized as a replacement for subsidiary coinage.

United States Postage Currency ten cent coins of 1863, our nation's first attempt at token coinage, was thought by the Mint staff to be the best solution to the problem. To that end, William E. DuBois and Adam Eckfeldt (the Mint's assayer and coiner), under the supervision of the Director of the Mint,

James Pollock, undertook the secret and experimental production of between 150 to 160 piece of 1863 Postage Currency ten cent coins of all varieties. Four thin silver coins, four thin tin coins, and two thin aluminum coins were struck in a screw press by the hand of William E. DuBois. These were presented to Mint Director James Pollock to be given to Secretary of the Treasury Salmon Chase for consideration. The coins were presented in five envelopes with some detailed information penned by the hand of William E. DuBois on each envelope.

The envelopes and ten coins as well as a small hoard of Civil War memorabilia, waited to be discovered like a time capsule, for a period of 130 years. They were discovered in a Chicago Courthouse that was being prepared for renovation.³ In the 1960s, Lester Merkin acquired the coins and later sold them with accompanying envelopes to Milton R. Friedberg, a fractional currency collector, and author of the "Bible" of fractional currency entitled *The Encyclopedia of United States Fractional & Postal Currency*.

The coins were immediately rejected for a variety of reasons. They were so thin they would misfeed through the steam press, they would bend under the slightest pressure, and they contained much less intrinsic value than a regular silver dime. The 20 grain silver coin contained silver worth 5.21 cents value, the 22 grain silver coin was worth 5 and 35/48ths cents, the aluminum coins were worth about five cents, the 21 grain tin coins were worth one-sixth of a cent and the heavier 27 grain tin coin had a value of one-fifth of a cent. It was reasoned that the coins would not be accepted as an alternative to the good old dime. Secretary Chase opted for the Fractional Currency (paper) notes.

Probably, no other group of United States patterns has as much historical, archival information available as do the Postage Currency coins. With that statement comes the admonition that in the past, no other group of United States patterns has been so poorly attributed and so inadequately studied.

Related by design elements of the 1863 dated coins are: J-325 through J-330a (P-390 through P-401) designed by James B. Longacre; varieties of J-331, a, b, and c (P-402 and P-403) with the original obverse designed by Christian Gobrecht in 1836 and modified in 1859 by James B. Longacre, and the reverse also designed in 1859 by Longacre; the dimes dated 1868, J-640 through J-642 (P-712 through P-714); and J-643 through J-646 (P-715 through P-719) with both the obverse and reverse designed by James B. Longacre. Some of these coins have been misattributed or simply do not exist.

The dies for the featured Seated Liberty, no date obverse with the broken serif of the letter S of the first S in STATES and the cereal wreath reverse with a six-pointed star above ONE DIME and the tiny date 1868 below were produced in the transitional period of 1859-1860. These 1868 reverse dated coins seem to have been struck in May 1863 as pieces de caprice or fantasy coins for collectors and the several this cataloger has seen do not appear to be restrikes but appear to be either anticipatory strikes or Mint date logo punch errors. This conclusion is based upon the microscopic analysis of more than forty coins in the series, and die crack progressions of both obverse and reverse. The evidence of minor die rust is consistent with these dies. The Seated Liberty and cereal wreath dies were improperly stored, unlubricated in the humid coiner's vault from 1859 through 1863. There are some who think these 1868-dated coins were struck in 1869 or even later. Investigation is ongoing that may soon ascertain when these coins were actually struck.

Stepped up production of half dimes and dimes at the Philadelphia Mint began in 1868 but it took several more years for the Mint to produce these minor coins in the quantities struck prior to and including 1862. In fact, fractional notes continued to be printed until 1876 to supplement the need for subsidiary coinage.

In 1869, a German chemist, Koulz, tried with unsatisfactory results to combine a mixture of 26% silver with 33% nickel and 41% copper. It has been assumed that the reverse design by William Barber: SIL. 9 above NIC. 1, above a horizontal line over 1869 (Judd-714 and Judd-715 or Pollock-793 and Pollock-794) as well as the second reverse design: SIL. above NIC. above COP. over 1869 indicated the metals involved. This is not necessarily the case. In no tested coin of the first reverse design have we found silver in any combination with nickel. As one can see, Judd-714 (Pollock-793) has never been found. All coins attributed as silver-nickel have tested cupro-nickel or virtually coin nickel. This is not the case with the second reverse designed coins. Judd-716 (Pollock-795) have been found containing an alloy of silver, nickel, and copper. Fifteen coins are thought to have been struck. Also, an unknown number of cupro-nickel coins of the second reverse design have been struck with less than a one grain weight difference from the former. These coins need to be scientifically analyzed. The common link between these coins and the 1863 and 1868 pieces is the use of the same Seated Liberty with dateless obverse and the broken serif of the letter S of the first S in STATES die.

This cataloger has relied heavily on scanning electron microscope with energy dispersive x-ray (SEM-EDX) test analysis, and more than 550 actual auctioned sales of Postage Currency coins, many of which show the haphazard ways in which the coins were described. Elemental testing of these coins is suggested. Heritage Numismatic Auctions, Inc., decided to scientifically test each of the Gene H. Wolfe Postage Currency coins so that accurate attributions can be made. These reports will be sent to successful bidders. To the best of this outside cataloger's knowledge, this is the first time in the annals of numismatic history that a numismatic firm has ever acknowledged the need for such testing and rose to the occasion.

...David Cassel

1. *Neil Carothers Fractional Money - A History of Small Coins and Fractional Paper Currency of the United States*, page 170, 1930.
2. *Ibid*, Page 180.
3. *Coin World*, a 3-part series by Douglas Winter, May 15, 22, and June 12, 1985.

For additional information on this subject see:

- *United States Pattern Postage Currency Coins 1999*, by David Cassel, soon to be released. Included within a reprint with the permission of the author of a *Coin World Magazine* article in three part series, May and June 1985 by Douglas Winter.
- *Pattern club web site* www.uspatterns.com
- *The Encyclopedia of United States Fractional and Postal Currency*, 1978 by Milton Friedberg.
- *United States Pattern, Experimental and Trial Pieces 7th edition* 1982 by J. Hewitt Judd, M.D. and Abe Kosoff, pages 55, 71, 72, 75, 102, 103, 105, 108, 109.
- *United States Patterns and Related Issues 1994* by Andrew Pollock III, pages 116 - 119, 169 - 170, 182 - 184.

I have been quite privileged to have Andrew Pollock III offer to write the introduction to my book and critique my manuscript. He is the author of "*United States Patterns and Related Issues*." He is a National Treasure. His introduction follows.

FOREWORD by ANDREW W. POLLOCK III
Author of *United States Patterns and Related Issues*

In the United States pattern series, there are few issues that are documented as well as the Postage Currency pieces of 1863. Correspondence about these varieties dates back to the time they were minted. J. R. Eckfeldt and W. E. DuBois described the advantages that the circulation of such pieces would have if authorized by Congress.

Unlike most other United States patterns, we have mintage figures for several different varieties and the precise dates in 1863 when they were produced. This information was published in Chapman's Eavenson Collection catalogue of 1903. It is supposed that the information in the Eavenson catalogue originated with William E. DuBois' son, Patterson DuBois.

The best historical scholarship on the United States 1863 Postage Currency pattern coins is by Douglas Winter. His work appeared in serialized format in three different issues of *Coin World* in 1985. Accordingly, the article is not readily available to collectors unless they have access to a microfilm version of "*Coin World*." Fortunately for students of United States pattern coins, Douglas Winter's article is reprinted on the following pages.

David Cassel has advanced the research on the United States 1863 Postage Currency patterns and those related coins dated 1868 and 1869 by performing spectral analysis (non-destructive elemental analysis) on approximately fifty-six different United States Postage Currency pattern coins. In so far as these tests are very expensive, Cassel's commitment to the advance of numismatic knowledge is clearly demonstrated.

Cassel's study of numismatic auction catalogues, combined with the results of the spectral tests, has enabled him to draw important conclusions about the extant varieties of United States 1863 Postage Currency coins and those related coins dated 1868 and 1869. Some varieties that have long been listed in the standard references Cassel believes do not exist. Conversely, he has uncovered information on the existence of some varieties which are unlisted elsewhere. The important content of his work is appreciated. His writing was found to be quite smooth and easy to read.

As Scholarship in the field of United States patterns evolves, the numismatic community will owe a debt of gratitude to David Cassel for his contribution to the subject.

ANDREW W. POLLOCK III

HERITAGE FUN 2000



The Gene Wolfe Collection *of U.S. Postage Currency Patterns*



Lot 7418



Lot 7419



Lot 7420



Lot 7421



Lot 7422



Lot 7423



Lot 7425



Lot 7426



Lot 7427



Lot 7428



Lot 7429



Lot 7430



Lot 7431



JANUARY 2000 FUN SALE

HERITAGE NUMISMATIC AUCTIONS, INC. ■ JANUARY 5 - 7, 2000 ■ ORLANDO, FL



- 7418 1863 Ten Cents, Judd-325, Pollock 390, R.6, PR 64 PCGS. 19.9 grains. A SEM-EDX analysis (#3504478) was performed, indicating this piece's composition is 96.1% silver and 3.9% copper. The obverse depicts an ornamental shield with an inverted laurel wreath suspended from a ring. A pair of crossed arrows is behind the shield, with EXCHANGED FOR U.S. NOTES around the perimeter. The reverse has 10 CENTS 1863 in the center, with * POSTAGE CURRENCY * ACT JULY 1862 around. Struck with a plain edge.

James B. Longacre designed this pattern in May, 1863. At that time, three weight variants were struck of the plain edge silver Postage Currency patterns. No silver pieces of this design are known to have a reeded edge. A combined total of 43 coins at 20 grains and the 22.5 grains were struck to demonstrate the physical properties of two versions of a very thin ten cent silver coin. One plain edge, nearly pure silver fantasy piece was struck weighing 38.3 grains. The authorized weight of a standard silver ten cent coin was 38.4 grains. The intrinsic value of the 20 grain coin offered here in 1863 was given by Mint Assayer William E. DuBois at 5.21 cents or 5.5/24ths cent. The value of the 22.5 grain coin was given by DuBois at 5.73 cents or 5.35/48ths cent. The coins were so thin that DuBois later commented to Salmon P. Chase that they could not be struck using the Mint's steam presses because the thin planchets would jam the machine. These pieces were struck using a screw press. Two coins are known whose planchets were cracked while being struck. It is presumed they were the victims of the steam press. This is only one of several drawbacks to the authorization of these token coins for the purpose of replacing various temporary monetary expedients, much less, the nation's subsidiary coinage.

The fields are deeply reflective and the devices display light frosting which produces a moderate cameo contrast. Brilliant throughout. A long, arcing die crack extends over U.S. and terminates on the rim at 9 o'clock. Several other cracks are also noted on each side.

Purchased by Mr. Wolfe from Kreisberg and Cohen's Quality Sales Auction, June 29, 1970, lot 1284. Mr. Wolfe calculated the coin's specific gravity at 10.45. Examples of the J-325 coins can be found in the following museum collections: Harry W. Bass Collection, American Numismatic Society Collection, Smithsonian Institution Collection, and the Byron Reed Collection at the Western Heritage Museum. (See Color Photo)



- 7419 1863 Ten Cents, Judd-326A, Pollock-394, R.7, PR 63 PCGS. 25.3 grains. A SEM-EDX analysis (#3504477) was performed on this piece, indicating it is 84.7% copper and 15.3% silver. The obverse has an ornamental shield with an inverted laurel wreath suspended from a ring, and a pair of crossed arrows is behind the shield. The peripheral legend reads EXCHANGED FOR U.S. NOTES. The reverse has 10 CENTS 1863 in the center and * POSTAGE CURRENCY * ACT JULY 1862 around the margin. Struck with a plain edge.

James B. Longacre designed this coin in May, 1863. This plain edge piece is struck in an alloy known as billon. Billon is a primarily copper alloy coin with less than half its weight in silver. Examples of this pattern are known with weights ranging from 24.5 grains to 25.3 grains. In the past, pattern catalogers have assumed a proportion of 75% copper and 25% silver. The eight pieces tested thus far have ranged from 81% copper and 19% silver to 85% copper and 15% silver. Records indicate that 27 pieces were struck May 27, 1863. The intrinsic value of this token coin was almost 1.5 cents.

The mostly copper surfaces display a muted reddish-brown patina with an outline of lighter color around the devices. A few spots and streaks of silver alloy are seen on each side. Mr. Wolfe purchased this piece from Harry X Boosel's auction (RARCOA, April 28-30, 1972), lot 1034. Later he performed a specific gravity test with a result of 9.42. Another example of a Judd-326a may be found in the Byron Reed Collection at the Western Heritage Museum. (See Color Photo)

1863 Postage Currency Pattern, Judd-329



- 7420 1863 Ten Cents, Judd-329, Pollock-399, R.6, MS 60 Corroded. 20.8 grains. A SEM-EDX analysis (=349950) was performed, indicating the coin is 98.7% tin and 1.3% lead. The obverse depicts an ornamental shield with an inverted laurel wreath suspended from a ring. A pair of crossed arrows is behind the shield. The inscription reads EXCHANGED FOR U.S. NOTES. The reverse has 10 CENTS 1863 in the center with * POSTAGE CURRENCY * ACT JULY 1862 around the margin. Struck with a plain edge.

Here is an example of a coin that doesn't quite fit the metallurgical descriptions of either Judd or Pollock. Not enough research on low grade tin coins has indicated if the use of a small amount of lead in an otherwise tin coin was the rule or the exception.

James B. Longacre designed this coin in May, 1863. On May 27 records indicate a combined total of 39 plain edge pieces were struck in either block (pure) tin and/or a tin alloy of supposedly 97% tin and 3% copper. Whereas several tin coins have tested pure, only one coin has tested tin with copper. This coin is probably the unique 28.2 grain Garrett coin that contained 98% tin, 1% copper, and 1% lead. The tin coins were struck at 21 grains and 27 grains. DuBois wrote that the (intrinsic) value of a 21 grain ten cent coin was 1/5th of a cent while the 27 grain counterpart had a value of 1/6th of a cent. The tin coins were the Mint's least valuable coin to produce. One could easily bend one of these coins with the slightest pressure. Tin Postage Currency coins are very scarce in high grades and not common in lower grades. This is because tin, a base metal, corrodes. Silver, a precious metal, may tarnish or tone over time, while base metal coins may corrode. Corrosion on a coin's surface always results in the actual loss of metal; whereas tarnish or toning on a precious metal coin does not.

Mr. Wolfe purchased this coin through Goliad in 1973. Another example of Judd-329 may be found in the Byron Reed Collection at the Western Heritage Museum. (See Color Photo)

Dateless Obverse Postage Currency Pattern, Judd-331B



- 7421 1863 Ten Cents, Judd-331B, Pollock-402, R.7, PR 64 PCGS. 33.5 grains. A SEM-EDX analysis (=3504485) was performed, indicating the coin is composed of 75.2% copper and 24.8% nickel. The design is a dateless Seated Liberty obverse, paired with the proposed postage currency reverse featuring 10 CENTS 1863 in the center and * POSTAGE CURRENCY * ACT JULY 1862 around the margin. Struck with a reeded edge.

The obverse was created in 1836 by Christian Gobrecht and redesigned in 1859 by James B. Longacre, and the reverse also designed in 1859 by James B. Longacre. Five reeded edge coins of this design are known. The dateless Seated Liberty obverse die was created during the transition period of 1859-1860 and paired with the Postage Currency reverse. Note the broken S serif of the first S in STATES. This imperfect die was set aside and a second imperfect die was fashioned. The third die was what may be referred to as the "perfect" die. The perfect die was put into service and used by the Mint for several years. The imperfect dies were not destroyed but were kept in the coiner's humid vault and were unprotected against rusting. Special dies, like the dies for the 1804 dollar were boxed in lard and carefully stored in the Mint Director's vault. In May, 1863 the die with the broken S was removed from the coiner's vault and used to create five fantasy pieces of the die combination seen here. One copper, Judd-331a, piece was struck and four cupro-nickel coins of varying weights and metals were also produced. Mr. Wolfe voluntarily informed Abe Kosoff about the coins in his collection and Kosoff noted them in United States Pattern, Experimental and Trial Pieces (6th and 7th editions), where the name G. H. Wolfe is seen alongside the Judd-331B and other issues. The Judd-331 coin pictured in the Judd reference is the coin that today resides in the Harry W. Bass Foundation Collection.

The coin itself is brightly mirrored and shows only the vaguest suggestion of light color on each side.

Mr. Wolfe acquired this coin from Liberty Coin Co. in 1974. He performed a specific gravity test analysis with the result of 8.93. Another example of the J-331B pattern may be found in The Harry W. Bass Foundation Collection. (See Color Photo)

The next two coins, or "mules," are fantasy pieces, that is, a pairing of odd dies that are not suitably regarded, as for instance, a two-headed coin. These coins have the obverse die element in common with the J-331 series of postage currency patterns. Obviously, there is no message conveyed that relates to the Postage Currency Act of July 1862. Like the J-331B above, the basic obverse design was created by Christian Gobrecht in 1836. In 1859, James Longacre redesigned the obverse and created a new reverse design. Reeded edge dimes were struck with the dateless Seated Liberty obverse die created during the transition period of 1859-1860. (Note the broken S serif of the first S in STATES). This die was paired with the cereal wreath reverse with six-pointed star over ONE DIME and the small 1868 date beneath ONE DIME, created during the transition period of 1859-1860.

Dateless Muling of Postage Currency Obverse with Cereal Wreath Reverse, Judd-641



- 7422 1868 Ten Cents, Judd-641, Pollock-713, Low R.7, PR 64 PCGS. 32.7 grains. The obverse is similar to the regular issue, but without the date in exergue. The reverse displays ONE DIME, the date 1868, and a six-pointed star in the center, all of which is enclosed in a cereal wreath. Struck in cupro-nickel with a reeded edge. A SEM-EDX analysis (#3504482) was performed, indicating the coin is 77.1 copper and 22.9% nickel.

Die striations diagonally cross the obverse—a trait common to this obverse die—and a light, even layering of golden-rose toning covers each side of this brightly mirrored piece. To aid in identifying the coin in the future, there is a tiny stain on the left side of the 1 in DIME.

Mr. Wolfe purchased this cupro-nickel pattern from the N.A.S.C. Auction (Kosoff, 2/70), lot 1494. He later calculated the coin's specific gravity at 8.99. Another example of the J-641 can be found in The Harry W. Bass Foundation Collection. (See Color Photo)

Associated Postage Currency Pattern, Struck in Copper, Judd-642 Muling



- 7423 1868 Ten Cents, Judd-642, Pollock 714, R.8, PR 63 Lacquered. 27.46 grains. The obverse and reverse designs are the same as the Judd-641 above, but here struck in copper with a reeded edge. The surfaces are bright from cleaning and show rich cherry-red color with a thick coating of lacquer over each side. King Farouk had the reputation of polishing some of his coins and then lacquering the cleaned coin to preserve its appearance. Unfortunately, the lacquer was unable to be removed from this piece, and a scientific SEM-EDX analysis could not be performed. The composition of this coin could range from pure copper to one that has a very high copper content with a small amount of alloy. The Harry W. Bass Judd-645 coin had a similar weight of 28.05 grains and was analyzed to contain 97.65% copper with 2.35% iron, but it was not lacquered.

Sol Kaplan purchased this coin from Sotheby's Palace Collection of King Farouk of Egypt (February-March, 1954), lot 1815. Formerly owned by Woodin and Schulman. Hans Schulman sold this coin to King Farouk. Mr. Wolfe purchased the piece from Sol Kaplan in 1972. He later calculated its weight at 27.46 grains and the specific gravity test resulted in a score of 8.99. In addition to the Gene H. Wolfe Collection, another example of this coin can be found in the J.C. Mitchelson Connecticut State Library Collection. (See Color Photo)

Lower Grade Postage Currency Dime, Judd-646



- 7424 1868 Ten Cents, Judd-646, Pollock-718, R.7, PR 61 PCGS. An unusual and rare pattern with a small shield and inverted wreath on the obverse and a legend that reads EXCHANGED FOR U.S. NOTES. The reverse is laid out with ONE DIME in the center, a six-pointed star above, the date below, and all surrounded by a wreath of cotton, corn, and tobacco. Struck in aluminum with a plain edge. The surfaces are a trifle subdued by minor oxidation and hazy golden and steel-blue patina.

This postage currency pattern is included in this section of the catalog but is not a part of the Gene Wolfe Collection.



7425 1868 Ten Cents, Judd-646, Pollock-718, R.7, PR 63 PCGS. 11.3 grains. The obverse has an ornamental shield in the center with an inverted laurel wreath suspended from a ring. A pair of crossed arrows is behind the shield. The peripheral device reads EXCHANGED FOR U.S. NOTES. Like the two pieces above, the reverse displays ONE DIME, 1868, and a six-pointed star in the center, surrounded by a cereal wreath. A SEM-EDX analysis (=3504476) was performed, indicating the coin contains 85.5% aluminum and 12.4% silver, with traces of silicon (1.3%) and iron (0.8%). Struck with a plain edge.

The surfaces are dazzling because of the aluminum/silver alloy; but unfortunately, some oxidation has set in on the obverse with just a bit on the reverse.

Purchased by Sol Kaplan from Sotheby's Palace Collection of King Farouk of Egypt (February-March, 1954), lot 1815. Formerly owned by Woodin and Schulman. Hans Schulman sold this piece to King Farouk. Mr. Wolfe purchased this aluminum pattern from Sol Kaplan in 1972. Another example of the Judd-646 coin can be found in the Smithsonian Institution Collection. (See Color Photo)

A supposed German chemist, Koulz, was the inspiration for two pattern reverses of 1869. The first design has a legend reading SIL.9 NIC.1 1869, and the second displays SIL. NIC. COP. 1869. An effort to garner some additional information on Koulz has proved fruitless. Regrettably, this cataloger with the help of numismatists in both Germany and the United States, using the facilities of libraries, encyclopedias, and the Internet, could not come up with a single reference to Koulz, not even his first name, except that in the 600-page German lexicon, Koulz may not be a German name.

What little we know originated in a booklet entitled *Suggestions to Congress of the Finances of the United States Submitted to the Chamber of Commerce of New York*, by H. E. Moring, 1869. This is where we find the earliest reference to Koulz, later printed in Adams and Woodin's *United States Pattern, Trial, and Experimental Pieces*, published in 1913 and reprinted in 1959. Adams and Woodin, Dr. Judd, Andrew Pollock, and now this cataloger essentially restate what, according to Andrew Pollock III, in *United States Patterns and Related Issues* was offered: "In 1869 the Mint experimented with an alloy consisting of 41% copper, 33% nickel, and 26% silver. The alloy was invented by the German chemist, Koulz, and promoted by a New York chemist [and Metallurgist, Stefan] Krackowizer. Dr. Judd in his pattern book quotes the commentary of W. E. DuBois who describes the alloy as follows: 'Mr. Eckfeldt made a small bar, and gave it three meltings. It rolled down with great difficulty, splitting and cracking in spite of all the precaution and annealings. Mr. Barber made a reverse to try it under the press (using the dime head for the obverse), and a faint impression was produced in the stream press. The metal is totally unfit for coinage, and the color is bad.' Director Pollock considered the 'Koulz alloy' coinage at some length in his Annual Report of the fiscal year ending June 30, 1869. 'Under the coining press it was barely possible to produce a feeble impression, on account of the intense hardness, and danger both of breaking the dies and flawing the planchet. In short, nothing could be more unfit for coinage.'"

With the obverse designed in 1836 by Christian Gobrecht and re-designed in 1859 by James Longacre, dimes were created with the dateless Seated Liberty obverse die created during the transition period of 1859-1860. (Note the broken S serif of the first S in STATES). The reuse of this obverse and its previous tie to the Postage Currency patterns of 1863 create a die link to the following patterns of 1869. The reverse was designed by William Barber in 1869. This date would be the year that the dateless obverse element of the Seated Liberty Postage Currency ten cent coins would see its final appearance with two different reverse designs, each rather plain.

While both designs of coins have reeded edges, Mr. Wolfe noticed that the reeded edge of the first design reverse differed from that of the reverse's second style reeded edge. Considering that the edges could not be viewed through the plastic coin holders, Mr. Wolfe's description for the first reverse style coins was, "The raised part (of the reed) was wider than the recessed part." The tops of the reeds were flat and wide. For the reverse of the second style coins the reeds were tapered and less flat across their tops.

Near-Gem 1869 Pattern Dime, Judd-714 First Reverse



7426 1869 Ten Cents, Judd-714, Pollock-793, R.7, PR 64 PCGS. 30.2 grains. The obverse is similar to the regular issue, but without the date in exergue. The reverse has the legend SIL. 9 NIC. 1 1869. A SEM-EDX analysis (=3504488) was performed, indicating that the coin is 75.7% copper and 23.9% nickel, with traces of iron (0.2%) and cobalt (0.2%). The rarity rating above is for the combination of cupro-nickel and silver-nickel, if in fact, any silver-nickel specimens of this design exist. Three examples have been SEM-EDX tested and all three proved to be cupro-nickel. This reeded edge coin with the first reverse design was supposedly struck in an unworkable alloy of silver-nickel. The reverse suggests a combination of 90% silver and 10% nickel. The coin has a bright silvery appearance and each side is lightly draped with rose and lilac patina and there are no large or offensive contact marks on either side.

No coins of this design with silver and nickel have been confirmed by SEM-EDX testing. To the best of this cataloger's knowledge the only confirmation of silver and nickel in any coins are the Koulz's alloy coins. Adams and Woodin (A-W 794) correctly cataloged the coin offered here as "cupro-nickel." Dr. Judd in *United States Pattern, Experimental and Trial Pieces* dis-

claimed Adams and Woodin in all seven editions, page 109 by printing, "The pieces listed as copper-nickel (A-W 794) are misdescriptions of A-W 792." Judd-792 is described by Adams and Woodin as the same design as Judd-714 but in silver.

The Judd book accounts for silver-nickel (J-714) and copper (J-715). There is no accounting for cupro-nickel. We suggest that what is attributed as J-714, (although no silver-nickel specimens have been reported) remain J-714 attributions pending test results, but also coins that are of this design which contain copper and nickel and no silver, be recognized as J-715A. Note that Dr. Judd cataloged a different second designed coin, Judd-717a (cupro-nickel), after discovering such a coin. The "a" suffixed the Judd-717 (copper) coin, not the J-716 (silver-nickel-copper.) It's more straight forward cataloging to add to copper rather than to subtract silver from silver-nickel-copper.

Mr. Wolfe acquired this coin from New England Rare Coin Auctions, July 23-24, 1976, lot 1322. He calculated the coin's specific gravity at 9.06. Other examples of Judd-714 patterns can be found in the following museum collections: The American Numismatic Society Collection, the Byron Reed Collection at the Western Heritage Museum, and the J. C. Mitchelson Connecticut State Library Collection. (See Color Photo)

Gem Judd-715 Pattern, Ex: Ruby
First Reverse



- 7427 1869 Ten Cents, Judd-715, Pollock 794, R.7, PR 65 Lacquered 37.49 grains. The obverse is similar to the regular issue, but without the date in exergue. The reverse has SIL. 9 NIC. 1 1869 in large letters and digits. This first reverse design pattern was struck in copper with a reeded edge. The surfaces have bright, variegated orange and cherry-red color, but the color has been artificially induced by cleaning. Judging from the lacquered surfaces, it may have graced the Farouk collection at one time. Unfortunately, the lacquer was unable to be removed and, as a result, scientific SEM-EDX analysis could not be performed. This coin could range from a pure copper piece to one that has a very high copper content with a small amount of an unknown alloy. For comparison, the Newcomer, Boyd, Farouk unique J-331A weighs a close 38.4 grains and tested pure copper. Ex: Ruby Collection (Superior, 2/75), lot 883. The specific gravity was calculated by Mr. Wolfe at 8.93. In addition to this piece, other examples can be found in the Byron Reed Collection at the Western Heritage Museum, and the J. C. Mitchelson Connecticut State Library Collection. (See Color Photo)

1869 Dime Pattern Struck in Koulez' Alloy, Judd-716
Second Reverse



- 7428 1869 Ten Cents, Judd-716, Pollock 795, R.6, PR 64 PCGS. 45.7 grains. The obverse is similar to the regular issue, but without the date in exergue. The reverse has SIL. NIC. COP. in larger letters, the date is below, smaller, and slightly curved. This second reverse pattern has a reeded edge and was struck in a supposedly unworkable alloy of silver, nickel, and copper: Koulez's alloy. The reverse suggests the combination of those three metals; and in fact, all three metals were found in the testing. A SEM-EDX analysis (=3504496) was performed, indicating this piece is composed of 30.4% silver, 42.1% nickel, and 27.4% copper. The Mint experiment is said to have been with an alloy consisting of 26% silver, 33% nickel, and 41% copper. The brittleness of this alloy can be seen by some flaking and chipping on the reverse. Striking details are also less than complete, undoubtedly from the hardness of the alloy. Lightly toned. Mr. Wolfe acquired this coin from Goliad in 1973. In addition to this piece, other examples of Judd-716 may be found in the ANS Collection, the Harry W. Bass Collection, the Byron Reed Collection at the Western Heritage Museum, the J. C. Mitchelson Connecticut State Library Collection, and the Smithsonian Institution. (See Color Photo)

1869 Dime in Silver, Judd-716A
Second Reverse



- 7429 1869 Ten Cents, Judd-716A, Pollock-796, R.7, PR 64 PCGS. 38.1 grains. The obverse is similar to the regular issue, but without the date in exergue. The reverse has SIL. NIC. COP. in larger letters with the date below, in a smaller font, and slightly curved. This second reverse design pattern has a reeded edge and was supposedly struck in the unworkable alloy of silver, nickel, and copper: Koulez's alloy. A SEM-EDX analysis (=3504498) was performed, indicating the piece is actually 95.8% silver and 4.2% copper. The surfaces are blindingly bright from the high silver content of the coin and the fields are deeply mirrored. A few stray hairlines are evident and explain the less-than-Gem grade. Mr. Wolfe acquired this coin from Julian Leidman in 1972. Its pedigree is traceable to B. Max Mehl's Fred E. Olsen Sale, Nov. 7, 1944, lot 318. This is also the Judd plate coin. Its specific gravity was calculated by Mr. Wolfe at 10.44. In addition to this piece, another Judd-716A can be found in the Smithsonian Institution Collection. (See Color Photo)

1869 Judd-717 Pattern in Copper
Second Reverse



- 7430 1869 Ten Cents, Judd-717, Pollock-797, R.7, PR 65 Lacquered. The design of this piece is the same as the two other second reverse coins above. Struck in copper with a reeded edge, although the reverse design suggests the coin was struck in a combination of silver, nickel, and copper. Unfortunately, the lacquer was unable to be removed from the surfaces and a scientific SEM-EDX analysis could not be performed. This coin could range from a pure copper composition to one that has a very high copper content with a small amount of unknown alloy. In our experience, no copper patterns of this weight have previously been SEM-EDX tested. The surfaces are bright from cleaning with cherry-red color over both sides. The striking definition on the head of Liberty is less than complete, as it is on all these Postage Currency patterns. Ex: Dunham; Olsen; The Palace Collection of Egypt's King Farouk (Sotheby's, February-March, 1954), lot 1831 as A-W 796; Schulman 1954. Mr. Wolfe acquired this coin from Robert Hughes in 1977. (See Color Photo)

Lovely Gem 1869 Cupro-Nickel Dime, Judd-717A
Second Reverse



- 7431 1869 Ten Cents, Judd-717A, Pollock-798, R.7, PR 65
PCGS. 46.6 grains. The obverse is similar to the regular issue,
but without the date in exergue. The reverse has SIL. NIC.
COP. with the date slightly curved below and in a smaller font.
This second reverse design pattern has a reeded edge and was
supposedly struck in the unworkable alloy of silver, nickel, and
copper: Kaul's alloy. A SEM-EDX analysis (=3504497) was per-
formed, indicating the coin is actually 75.7% copper and 23.9%
nickel. This flashy Gem is untuned and deeply mirrored in the
fields with light frost on the devices, which yields a moderate
cameo contrast.

Ex: Louderman; Olsen; Ten Eyck; Ruby Collection (Superior,
2175). lot 884, where it was cataloged as a Judd-716. The coin's
weight was calculated by Mr. Wolfe to be 46.56 grains and the spe-
cific gravity 8.99. (See Color Photo)

Postal and Fractional Currency

IN 1861, WITH the impending secession crisis near, much of the United States' gold, silver and even copper coinage began to disappear from circulation as a result of tremendous hoarding and the outright melting of coins. Due in part to fear and uncertainty, the dwindling supply of coinage occurred in response to two economic factors: a high percentage of precious metal in coins, and a high inflation rate.

During the Civil War, neither the North nor the South was spared economic hardship. The large amounts of paper money issued to finance the war effort resulted in too much money chasing too few goods—inflation. Precious metals and specie became dear, and coins were melted. Hence, the United States was primed for panic as these factors combined to cause the intrinsic value of the coins to exceed their face value.

U.S. Treasurer General Francis E. Spinner realized the coin shortage was causing considerable strain on businesses. The various stopgaps being employed in the marketplace were not satisfactory; merchants issued scrip, tokens, and eventually postage envelopes and encased postage stamps. Without established guidelines or government sanction, confusion ran rampant.

By far, postage stamps afforded the most viable solution. Backed by the government and intrinsically valuable, stamps were widely recognized and became an acceptable medium of exchange. On July 17, 1862, President Abraham Lincoln officially sanctioned the use of postage as currency.

Predictably, an immediate run on stamps ensued. Spinner responded with a proposal for a larger size, non-adhesive postage currency note. Spinner's prototypes consisted of stamps pasted on small pieces of cardboard, with the motto of the United States Treasury. Secretary of the Treasury Salmon P. Chase approved the impromptu concept, and the first issue of U.S. Postage Currency followed in 5-, 10-, 25- and 50-cent denominations. Comprised of five series, U.S. Fractional Currency, as it later came to be known, eventually also included denominations of 3 and 15 cents.



Issued from 1862 to 1876, U.S. Postage and Fractional Currency provides today's collector with many interesting varieties. The advanced hobbyist knows of hundreds of fractional varieties (designated by "Milt" numbers, the system utilized in the ultimate specialty reference, Milton

R. Friedberg's *Encyclopedia of United States Fractional & Postal Currency*). An intermediate specialist collects the 136 varieties designated by "Friedberg" numbers (the system established by the broader-based paper money reference, Robert Friedberg's *Paper Money of the United States*). Finally, the novice collector of fractionals concentrates on 24 basic varieties, differentiated by the design of each issue.

However, as a collector specializes, detailed references become increasingly harder to find. In the case of U.S. Postage and Fractional Currency, only one major reference has been written in the last 20 years.

In response to the paucity of information on the subject, a group of hobbyists formed the Fractional Currency Collectors Board (FCCB) in 1983. The FCCB promotes interaction between collectors and provides a vehicle for sharing hard-to-find information and references. Currently claiming more than 300 members, the organization places an emphasis on member support, providing each new recruit with beginning reference materials, as well as various educational opportunities. The FCCB annual meeting, held in Memphis, Tennessee, at the International Paper Money Show each June, offers just such an information-gathering experience.

To learn more about the Fractional Currency Collectors Board and the world of fractionals, contact FCCB Membership Chairman Bill Brandimore, 610 Fifth St., Wausau, WI 54401. •

Thomas O'Mara, a convertible securities trader residing in New Jersey, collects United States postage and fractional currency, as well as New Jersey obsolete bank notes and scrip. He is a member of the Fractional Currency Collectors Board, American Numismatic Society, Civil War Token Society, Society of Paper Money Collectors, and the Ocean County (New Jersey) Coin Club.

Opinions expressed are those of the author and do not necessarily represent the views of the ANA or the editorial staff.

Linderman got his way as US Mint Director

By R.W. Julian

In a change that has been expected for some time, Philip N. Diehl finally seems about to be replaced by Jay Johnson, following a generally positive confirmation hearing Feb. 24 in the U.S. Senate Banking Committee. It is generally believed among Washington insiders that Diehl was the victim of political infighting and had run afoul of some powerful administration official. During his tenure of office (1994-2000), however, it was rarely dull and numismatists learned either to love or hate the man now leaving office.

In the past few decades numismatists have become accustomed to regular political rotation of Mint directors, but rarely have they been as controversial as Diehl. In the 19th century, however, one Mint director stood out among all the rest for his flamboyant style and frequent confrontations with collectors and officialdom alike. That man was Henry Richard Linderman, who served two terms as director, 1867-1869 and 1873-1879.

Linderman was born in December 1825 in Pike County, Pa., the son of John and Rachel Linderman. His father was a physician and young Henry decided to follow in those footsteps, studying medicine under his father and then passing the New York State examination for doctors. During the late 1840s and early 1850s Linderman quietly practiced his medical profession, but was increasingly drawn into politics. He became well known enough in political circles for President Franklin Pierce to appoint him as chief clerk at the Philadelphia Mint in 1857. Why the physician saw himself more as Mint official than doctor is not quite clear, but he served faithfully until he suddenly resigned in 1864 to become partner in a brokerage firm. The reason for the change perhaps was connected to the political struggles that convulsed the North while the Civil War was raging.

In an abrupt change of scenery, Linderman was appointed director of the Mint in 1867 by President Andrew Johnson, whose first appointee (William Millward) had been unceremoniously rejected by the U.S. Senate. Linderman was confirmed rather easily, an odd circumstance for a time in which the President and Congress were at each other's throat and the President was even then going through the impeachment process, his conviction being averted by only a single vote.

During Linderman's first term in office (1867-1869), he used his position to enrich his own collection of coins as well as those of his friends. In one case, the coiner in early 1867 had refused to strike nickel proofs because he could not do a creditable job; those of 1866 had not been all that well



received by the collecting public. Linderman appears to have had a small number of nickel proofs (the variety with rays on the reverse) struck for distribution to a favored list of numismatists. In addition, pattern three and five-cent pieces were struck in aluminum, a novelty metal in those days, and sold to collectors for \$5 each, a very high sum for the time. Linderman and the Mint were strongly denounced by leading collectors for gouging, but nothing happened. This makes "W" silver American Eagles of 1895 and "W" Roosevelt dimes of 1896 seem rather tame in comparison. In addition, numerous pattern pieces were made, some of which were probably nothing more than a way to add to Linderman's personal holdings.

With the election of Ulysses S. Grant as President in 1868, Linderman saw the handwriting on the wall and resigned his post in early 1869. All of the old Johnson appointees were being swept out and Linderman decided to leave before being forced to leave. Oddly enough, however, Linderman managed to stay in the good graces of the Treasury Dept., because of his knowledge of economics and coinage, serving as a special investigating agent for that department on several occasions. He even went to Europe to study their monetary systems, to see what could be adapted for American use; this mastery of the subject was later to put him in good stead with both Congress and the administration.

In the meantime there was a great debate going on in Congress about reforming the monetary system. Linderman became closely involved with this ongoing controversy and played a key role as a monetary expert in formulating many of the provisions that were incorporated into the

final bill passed in February 1873. One of the key provisions, as far as Linderman was concerned, was that the office of director would be in Washington in the Treasury Building itself. James Pollock was then Mint director, and politically well connected, but chose not to live in Washington; this left the post open and Linderman had enough political IOUs to get the nod.

Beginning in April 1873, Linderman would be at the center of Washington political circles, a good place from which to move to higher offices, perhaps even secretary of the Treasury.

Only his death in 1879 cut short his political aspirations. Despite his poor reputation with collectors, Linderman was a highly effective Mint director in his second term. He seemed to be everywhere at once and managed to handle some very difficult problems in the process. One of his first concerns was the new Trade dollar, mandated under the 1873 Mint Act. Linderman hurried this along and by July the coinage presses were pouring out a steady stream of the new coins; he even found time to order that sets of pattern Trade dollars be made available to collectors, though at a steep price. The director was never one to miss an opportunity to fleece numismatists of their hard-earned dollars. The Trade dollar was an important political matter because of a growing surplus of silver. Linderman was one of the chief proponents of the new coin and privately predicted that the Orient would take all of our surplus silver for decades to come. As always, the potential of China seemed greater than the reality.

At the same time he was given the very delicate task of putting silver coinage back into daily use throughout the country. Except for the West Coast, silver and gold had left the marketplace in 1862 when the Civil War proved to be a longer and bloodier conflict than anyone had imagined. A nervous public hoarded all the gold and silver it could find and the rest was exported to Canada and Latin America. Congress had decreed that silver coin could not be paid out either for greenbacks or the hated shinplasters (notes of less than dollar in value) but the Grant Administration wanted to get around this law without seeming to do so. Linderman was given the job and did so with flair. He bought large quantities of silver beginning in the spring of 1873, which made the mine owners happy, proceeding to strike it into dimes, quarters and half-dollars.

These stockpiles of silver coins were now paid out to holders of greenbacks and shinplasters. At first this was done hesitantly, but later gathered speed and by the summer of 1874 silver was in widespread use throughout the country. It

had been touch-and-go on many occasions because of the floating value of silver with respect to paper, but in the end Linderman triumphed.

A red-faced Congress made the whole operation legal in 1875. (The shinplaster continued to circulate well into the 1870s, but with silver coin readily available, public mistrust of paper declined.)

In 1876 Linderman decided that the minor silver coinage needed a facelift. The old Seated Liberty design had been in place since 1837 and the public was growing tired of it. Not trusting the Mint engraving staff to carry out his wishes, Linderman obtained George Morgan through the good offices of his English counterpart, Charles Fremantle. Morgan produced several good designs in 1877 but then was asked to work on a new silver dollar.

Linderman was a virtual steam engine of energy when it came to promoting the Trade dollar in the Orient. He begged, cajoled and threatened everyone with influence in the Far East to get them to push the new coin. In reality, considering the odds against such new coinage, Linderman did very well in getting the coins accepted, especially in the south of China, but political events closer to home soon overtook his efforts.

The value of silver continued to fall in the domestic market but there was little that Linderman could do about this. The German government had dumped thousands of metric tons of silver on the European markets when Germany went off the silver standard in 1873 and suddenly the whole world was awash in silver. Despite this, Linderman was making strong inroads in the Oriental market when a fresh disaster struck, this one on his doorstep.

Mine owners, seeing their profits being sucked into a giant whirlpool because of a continuing fall in the price of silver, began to illegally dump the Trade dollars onto the U.S. market, creating new problems. Congress outlawed their use in 1876, but unscrupulous brokers supplied factory owners with these coins to pay their workers. The value of the Trades began to drop internally, hurting those least able to afford the loss, the lowest-paid workers in society.

By 1877 the Trade dollar had become a political football and no matter how successful Linderman was in the Far East, he could not control the illegal dumping at home; it was a no-win situation for the director but was soon to offer the

director yet another challenge.

During the fall of 1877 much of the silver that had gone abroad in 1862 suddenly started to return to this country in massive quantities. Not only was the marketplace now inundated by these long-lost silver coins, but the mints were no longer buying freshly mined silver bullion for coinage. Congress was besieged by silver men demanding that something be done. And done it was, with the Bland-Allison Act of February 1878 which mandated the return of the standard silver dollar now known to collectors as the Morgan dollar.

Linderman, who knew perfectly well how to read the temper of the public saw what was coming and decided to have everything in place for the dollar when Congress made up its mind. To this end, in late 1877, he organized a design contest between George Morgan and Chief Engraver William Barber; the winning artwork would grace the new dollar.

What Barber did not know was that the whole contest was rigged. Linderman had arranged for an emissary, former Mint official Loudon Snowden to work with Morgan to make certain that Linderman's every design wish would be carried out. In this way there was the semblance of a contest, but Linderman had the satisfaction of secretly defining the design elements.

In February 1878, to the surprise of virtually no one in on the arrangement, Linderman named Morgan the winner in the contest and also saw to it that a compliant Treasury secretary agreed with his choice; within a short time the new dollars were pouring in a steady stream from the presses.

One of the more interesting aspects of the Morgan dollar design was that it was illegal. The 1873 law required the motto E PLURIBUS UNUM to be on the reverse of the coin, but Linderman had instructed that it be on the obverse for better artistic balance. Someone pointed out this flaw to the Treasury but Linderman boldly told the Secretary that the original draft of the 1873 law had not specified which side needed the motto so therefore this arrangement was quite all right, even if the law said otherwise. The Treasury accepted the coin as well as the bizarre legal argument and the Morgan dollar was duly struck by the hundreds of millions of pieces.

While conducting his business at a feverish pace, Linderman did not neglect his private coin collection. Philadelphia Mint officials were endlessly needed for this or that pattern or regular coin in some special metal or condition. Full proof sets in aluminum of the regular coinage were struck on more than one occasion under Linderman.

Because several countries had asked the United States to coin money for them, the director used friendly congressmen in 1874 to introduce and pass a bill authorizing this service. The first foreign coinage was executed for Venezuela in 1876 and the director personally saw to it that it was done in a creditable manner and at low cost.

In addition Linderman found time to publish a well-written work called *Money and Legal Tender in the United States*. It explained many of the intricacies of the monetary system in terms the ordinary citizen could understand; the Japanese government was so impressed by this book that it offered Linderman the post of mint director in their country at a salary of \$50,000 per year, which he regretfully declined.

During the early part of 1878 he persuaded Congress to fund a special laboratory at the Bureau of the Mint in Washington. Over the years this division has been of great help in the fight against counterfeits as well as testing the products of the various mints for quality.

In the winter of 1878—1879 serious charges were made against Linderman in connection with the buying of silver bullion for the coinage of Morgan dollars then under way. It is not quite clear what these charges entailed because the matter never came to the formal attention of a congressional committee for full-scale hearings and investigations. Linderman died on Jan. 27, 1879, effectively ending the matter.



Linderman helped get silver coinage back into circulation, surreptitiously replacing greenbacks and shinplasters like this Fifth Issue 50-cent Fractional Currency note with silver coins before Congress was ready to authorize it.

McCulloch eased national banking qualms

By Jack H. Fisher

Hugh McCulloch was secretary of the Treasury when President Abraham Lincoln was assassinated. Reports from that time stated that the assassination sowed the seeds for financial panic throughout the country.

This was very true within the financial circles on Wall Street. A bubbling financial panic was about to explode with nationwide doubt as to the real value of U S bonds and notes. The gnawing public fear was that these bonds would be as worthless as the Confederate bonds. The question being asked at all levels of the government after the assassination was 'What can be done to avert full-scale financial turmoil and the ultimate possible collapse of the currency system?'

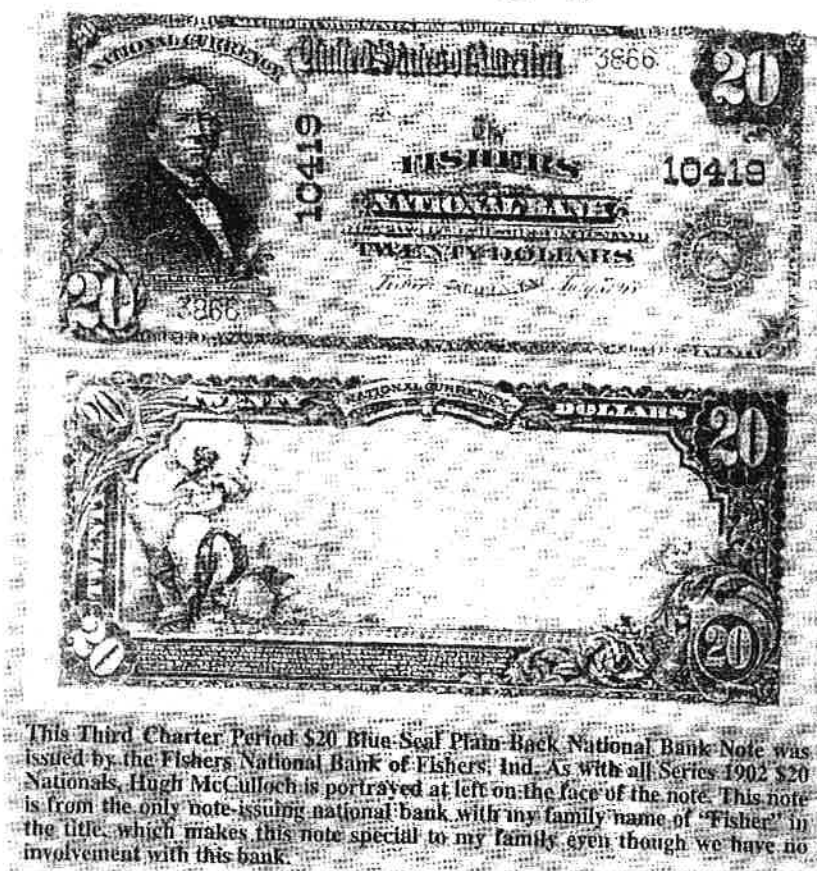
Secretary McCulloch was known to be a rather cautious, thorough and deliberate person. He normally did substantial research and weighed the pros and cons of each possible decision before taking a position or instituting a course of action. Lincoln's assassination brought about such hysteria that McCulloch had to take immediate action.

He moved to purchase U.S. bonds on the open market with Treasury funds to support the market prices. This averted the serious financial chaos that would have followed a major dumping of these bonds on a wavering open market. This fast action saved the faith of the public, the Wall Street bankers and investors throughout the world that these bonds had solid value. McCulloch deserves great credit and proper recognition in U.S. history for his intelligent and commendable action. His other many important contributions to and for the United States also deserve credit and praise.

The portrait on the faces of Third Charter Period \$20 National Bank Notes is that of Secretary of the Treasury Hugh McCulloch. This enables collectors and the general public to visualize his face with his name.

It is my opinion when we say and sing "God Bless America" that we should add "God bless the Americans who kept and keep her vital and strong." It is my hope that the United States will always have individuals like McCulloch to keep it sound and strong in financial matters. Individuals in government facing trying fiscal problems should benefit from the study of McCulloch's official writings, for he faced such problems.

It should now be quite obvious that I have become an admirer of Hugh McCulloch. My suggestion is that every



collector of U.S. paper money would find it worthwhile and enjoyable to have at least one Series 1902 \$20 National Bank Note with the portrait of McCulloch. These notes can be exhibited to everybody who has the desire to see the portrait of a true successful fiscal conservative who tried to keep the U.S. financial system and currency strong and credible.

The \$20 notes of the Third Charter Period were composed of three distinct issues. The first issue \$20 of the Series of 1902 has a red Treasury seal on the face, and plain back, in that it is without the year designation on the back. The second issue of Series 1902 has a blue seal on the face and "1902-1903" on the back. Notes of the third issue of Series 1902 have blue seals on the faces and plain backs, as again the back has no year designation.

The portrait on the faces of all three Series 1902 \$20s is that of Secretary of the Treasury Hugh McCulloch. All notes with portraits have much more personality and character for me after I research and learn about the person whose portrait is shown.

The paper money catalogs state that McCulloch was comptroller of the currency from 1863-1865, secretary of the Treasury 1865-1869 and 18144-1835. This small bit of information did not

satisfy me. His decisiveness and actions after the end of the Civil War and the assassination of Lincoln stimulated my curiosity to learn more about him.

He was born Dec. 7, 1807, at Kennebunk, Maine. His parents were Hugh McCulloch Sr. and Abigail Perkins McCulloch.

His father was a merchant who traded around the world and was also a well-known builder of ships. It interested me to learn that his grandfather Adam McCulloch settled in Maine after his arrival in the New World from Scotland.

McCulloch left Bowdoin College during his sophomore year, but he did receive a degree from the school later in his life. At age 55, Bowdoin awarded him an honorary master's degree. The authorities at Bowdoin determined he had earned this master's degree through his self-education and national service.

He was confident of his academic skills at the time he quit classes at Bowdoin. Even though he had not completed two years, this did not deter him from seeking employment as a teacher to earn money. It was reported that he also studied law. I could not verify that he attended any law school, so a likely assumption is that he studied law with a licensed practitioner before taking and passing the bar examination. He was admitted to the bar in Boston in 1832 and

practiced law there.

Then he moved to Fort Wayne, Ind., where he set up a law practice in 1833. That year he was offered and accepted the position of manager and cashier of the Fort Wayne branch of the State Bank of Indiana. This was his real first executive experience as a banker.

McCulloch managed this bank branch bank until about 1856. He was then appointed general manager and president of the entire bank. He functioned capably in these capacities and became well known and respected in banking circles in Indiana and throughout the country.

His entry into the Washington, D.C., government scene was originally as a result of the Indiana state banks' efforts to oppose the national banking legislation under consideration in 1862. McCulloch was sent to Washington to voice and promote the position of the Indiana banks to remain state banks and not be forced to become national banks.

McCulloch obviously made quite an impression on Secretary of the Treasury Salmon P. Chase, and when the national banking law was passed in 1863 Secretary Chase asked McCulloch to serve as comptroller of the currency. Chase wanted McCulloch to place the new national banking system into operation. Chase was said to have expressed one of his many reasons for selecting McCulloch was that he was highly respected by the existing state banks throughout the country for his integrity and banking expertise.

McCulloch, who originally opposed the national banking legislation, accepted and had the difficult job of rechartering State banks as national banks. His additional task was to attempt to achieve harmony, compromise and agreement on a variety of subjects in dispute between the state banks and the secretary of the Treasury. McCulloch remained in charge of the national banking system until 1865.

Chase resigned from the post of Secretary of the Treasury in 1864 to accept the appointment as chief justice of the Supreme Court. W.P. Fessenden was appointed to succeed Chase as secretary of the Treasury. Then Fessenden resigned at the beginning of President Lincoln's second term.

McCulloch was appointed secretary of the Treasury by Lincoln. A short time thereafter the Civil War ended and McCulloch had thrust upon him the gigantic problem of the still outstanding \$450,000,000 in paper money issued by the federal government during the Civil War.

He recommended resumption of the gold standard and retirement of the

class of paper money known as United States Notes, also called Legal Tender Notes. He submitted many reports to Congress to express his views and opinions. Many in Congress were convinced that his opinions and conclusions were correct. But the majority in Congress did not agree, not ready to resume the gold standard.

In 1866 Congress followed his advice. Congress authorized the retirement of \$10,000,000 in United States Notes in the first six months under this law, with \$4,000,000 to be retired each month thereafter. Then two years later Congress revoked the authority for the retirement of these notes. Retirement of United States Notes was not actually concluded until about 12 years later.

McCulloch was secretary of the Treasury until 1869 and devoted his time, energy and efforts towards reduction of the funded debt, adjusting public revenues from various sources as well as gradually phasing in federal taxation in the Southern states. These tasks and programs absorbed most of his time until he ceased his public office in March 1869.

McCulloch then joined the English banking firm of Jay Cooke. He was made a partner and the firm name became Jay Cooke, McCulloch and Company. Serious financial problems developed. Under McCulloch's hand the company met its financial obligations instead of failing as many thought it would do. Then the firm was re-organized as McCulloch and Company.

McCulloch was 76 in 1884. President Arthur asked him to become secretary of the Treasury in his administration, to succeed Secretary Gresham. This was such a short period in office that McCulloch was unable to make any major contribution except for his "Annual Report ... on the State of Finances" in December 1884. He worried about the Compulsory Silver Coinage Act of 1878. McCulloch stated: "It is evident that Silver Certificates are taking the place of gold, and later a panic or an adverse current of exchange might compel the use in ordinary payments of the gold held for redemption of the United States Notes, or the use of silver or Silver Certificate in payment of gold obligations" (House Executive Document No.2, 48 Congress 2).

It is to be noted that he was quite astute in his predictions, for the first of them did become reality in 1894. It required some real financial juggling to avoid his predicted result.

He lived in and near Washington, D.C., after his retirement. He assembled material and data about his life, periods in which he lived, his

opinions and reminiscences, and he published a book titled *Men and Measures of Half a Century*. This book is recommended reading for those interested in learning more about him and his period of history.

He died May 24, 1895, at Holly Hill, Prince George County, Md., survived by two sons and two daughters.

Those interested in learning more about McCulloch should proceed to his annual reports as secretary of the Treasury 1865-1868; *Jay Cooke, Financier of the Civil War*, by E.P. Oberholtzer, 1907; and *History of Wells and Kennebunk*, by E.E. Bourne, 1875. There are other reference materials in most public libraries.

There are many ways to collect the large size Third Charter Period \$20 National Bank Notes. The collector who seeks a most basic type would only have to acquire one such \$20 note regardless of it being first issue (Red Seal), second issue (Date Back) or third issue (Plain Back), and without regard to its being issued by any specific bank in any city or state. Other collectors acquire one each of three Series 1902 issues as a type collection, disregarding the issuing bank, city or state.

Still others might desire to collect notes issued by specific banks in cities and states of importance to them. The note that illustrates this article was issued by the Fishers National Bank of Fishers, Md., which interests me in that it is the only note-issuing bank with my family name. I have no family connection with the bank.

These Third Charter Period \$20 notes are available in all grades for the type collector, from average circulated condition to gem uncirculated. Prices asked for such notes are based upon condition, eye appeal and rarity of the issuing bank.

It is my opinion that the United States was fortunate that Hugh McCulloch was there, the right man in the right place at the right time, to implement the national banking plan as a viable system. He was also an excellent administrator of the national banking system from the very start. He strengthened the financial fabric of the country during the turbulent and difficult times following the end of the Civil War and the assassination of Lincoln.

Unfortunately, McCulloch is a virtual unknown and unsung American hero. It is my opinion that McCulloch should become properly known and honored by collectors and the general American public.

Shield patterns of 1865

Backdated fantasies, not transitional patterns

By Victoria Stone Moledor
COIN WORLD Staff

Struck in 1865 with the obverse and reverse styles of coins that wouldn't hit pockets until 1866 and 1867, the 1865 Shield 5-cent pattern pieces offer a curious study of Mint practices in the mid 1850s.

Essentially, these patterns were created to demonstrate the Mint's mission of bygone days: Satisfy every customer, even if the Mint had to create fantasy coins to do it.

Such practices are no shock to the seasoned numismatist. It simply helps to remind us that not all pattern pieces are true patterns (a test of a new design).

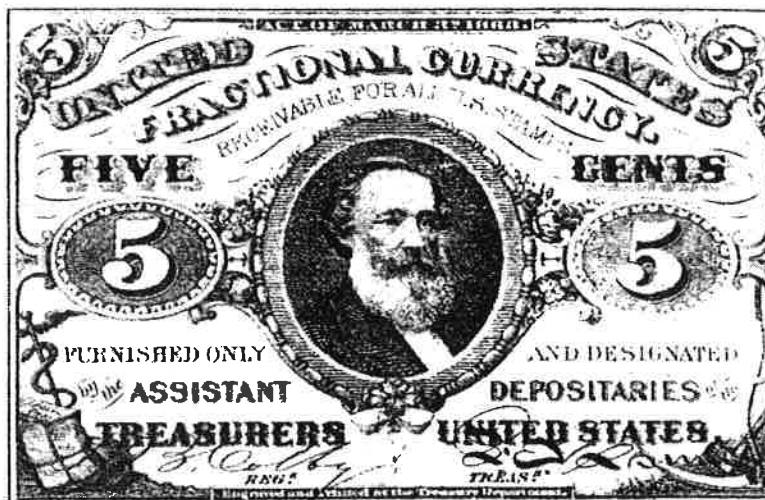
Some were made to order for dignitaries, eminent coin collectors and politicians.

Two varieties of the Shield 5-cent pattern exist: the 1865 With Rays pattern and the Without Rays pattern. The pattern was struck in both copper and nickel. The copper-nickel Shield 5-cent coin made its debut in 1866 with James Barton Longacre's Shield design. The series ended in 1883. The Shield design carried two types—With Rays for 1866 and 1867 and Without Rays from 1867 to the end of the issue.

The birth of the 5-cent coin was due the public dislike of fractional paper currency. Five issues of fractional currency were issued during the Civil War to provide citizens with some way to use "small change" in their day-to-day activities. So many coins had been hoarded from circulation that commerce was almost impossible. Numismatists will recall that this coin shortage also led to the creation of Civil War store cards or tokens issued by merchants to make change for customers.

Fractional currency notes, some of whose designs resembled postage stamps, were issued in denominations of 3, 5, 10, 15, 25 and 50 cents. A total of \$368,720,000 in these small notes was issued between 1862 and 1876 to bolster normal commerce.

The copper-nickel 5-cent coin was the result of several factors, notes Don



FRACTIONAL NOTES in circulation during and after the Civil War were not well liked. The Mint viewed the copper-nickel 5-cent coin as a "popular substitute" for the fractional 5-cent note.

Taxay in *US. Mint and Coinage*: growing support in Washington for nickel-based coinage (Congress approved a copper-nickel 3-cent coin in March 1865), no hopes for resumption of restoring specie payments (including the silver half-dime) and public dislike of the fractional notes. The Mint director prepared legislation seeking a copper-nickel 5-cent coin for Congress, which approved the measure in May 1866.

As was the case in those days, engravers began to work on coinage designs when the denominations were first conceived in Congress, not necessarily when they were approved by legislation. Chief Engraver James B. Longacre produced five 5-cent coin patterns, two bearing different busts of George Washington, the third depicting Lincoln. The fourth and fifth patterns were dated 1865; the Union shield resting on tied arrows, with the reverse showing 13 stars in a circle set in rays, with the requisite mottoes, and the same obverse paired with the reverse with no rays. However, a question remained unresolved for many years did Longacre produce these 1865-dated patterns for consideration, or were they actually backdated fantasy pieces? If these were indeed backdated, which of the surviving patterns were the original Shield 5-cent patterns?

For years, numismatists, including Walter Breen, named these patterns "transitional pieces," which led collectors to believe the patterns were actually produced in 1865.

The editors of the *Coin World Comprehensive Catalog & Encyclopedia of US. Coins*, David T. Alexander and Thomas K. DeLorey, set the record straight regarding the Shield patterns. They write: "Long considered to the prototype for the 'Shield nickel or a transitional coin, this pattern appears to be a restrike from the 1868 era when such backdated fantasies were commonly produced. The obverse die is from the correct hub for this year, although the date was sunk from the logotype of the 1865 copper-nickel 3 cents. The reverse die is identical to the 1866 regular Proof, as per comparison of two examples of this pattern and several regular issue 1866 Proofs.

This fact was noted in John Ford's comments on the pattern on the New Netherlands Sale #61, lot #16 and elsewhere. For example, Breen in the LM 9/68 sale lot #422, same pattern in copper, stated 'Rev from identical working die used on all 1866 regular Proof nickels, showing the center dot and recutting on the 5. Further evidence of its fantasy status is a comparison of two examples of this pattern and an example of the so-called No Rays prototype, but clearly

a restrike of the 1868 era as that pattern uses a reverse hub that was not made until after that date.

"A side-by-side view of the obverse of two examples of [without rays] patterns showed that the [without rays] pattern was struck first as the two obverses are from the same die, and the die state for the obverse of this pattern (based on die polish marks at upper right tip of the 5) prove it to be a later die state that the one used to strike the [With Rays] pattern.

"In addition to the extrinsic evidence that this pattern was not the prototype or a 'transitional,' to use the term adopted by Breen, the letter quoted by Taxay in his *US. Mint and Coinage* transmitting the group of pattern 5-cent coins for approval contains a description of what was later adopted as the Shield nickel of 1866 and various other patterns: Each of these other patterns are readily identifiable and all of them bear a date of 1866. No mention is made of any patterns bearing an earlier date. Moreover, the enabling legislation took place far too late for any prototypes to be struck in 1865. Thus, there was a pattern for the Shield nickel, but it was the dies later used to strike the 1866 with Rays regular issue Proofs, not this backdated fantasy."

Therefore, Alexander and DeLorey state unequivocally that the 1865 Shield 5-cent patterns were struck in 1868 for customers and were not in fact the first 5-cent coin patterns. The dies used to strike them were later Proof dies with the final number in the date and a 5 overstruck in its place. The honest-to-goodness first 5-cent patterns are those that are dated 1866 (though not all; some 1866 Shield 5-cent patterns are also backdated fantasy coins).



THE 1865 fantasy Shield 5-cent pattern, With Rays.



THE 1865 fantasy Shield 5-cent pattern, Without Rays

No. *3832*

Office of the ASSISTANT TREASURER of the UNITED STATES,

New York, *Dec 29* 185*7*.

I Certify that *William Selpha*

Smith has this day DEPOSITED to the CREDIT of the TREASURER of the United States,

100 Dollars, on account of *Pat Fee for an Artificial Hand*

for which I have signed duplicate receipts.

\$ 30

John J. Cisco
Assistant Treasurer.

ORIGINAL.

Second known autograph of Assistant Treasurer
John J. Cisco.
On a receipt for a patent fee for an artificial hand.